

ACCT 6160 Accounting for Mergers & Acquisitions, and Derivatives | Executive Summary

Course: ACCT 6160 Accounting for Mergers & Acquisitions, and Derivatives
Credits: 2 credits
Prerequisites: MBA 6030

Description

This course is the second in the sequence of financial reporting electives. It covers some of the advanced accounting topics that are not included in Acct 6100, the first course of the sequence. The topics include accounting for equity investments, mergers and acquisitions including consolidation, tax issues in M&A, accounting for capital restructuring transactions, such as spin-offs, equity carve-outs, and tracking stocks, accounting for restructuring charges and R&D write-offs, accounting for goodwill, accounting for joint ventures, special purpose entities (SPEs) and other off-balance sheet vehicles, and accounting for derivative financial instruments including options, swaps, futures and hedges. The course covers the basic accounting for these transactions and emphasizes the application of these accounting techniques to real-world cases.

Objectives

The topics covered in this course are very current and at the center of intense debate. The accounting for these transactions involves the FASB's new fair-value accounting model. While being extremely valuable risk management tools, these transactions are also susceptible to accounting abuse. In view of the recent accounting scandals, some of which relate to the topics covered, a reasonable (as opposed to rudimentary) level of accounting literacy has become imperative in today's world – the course offers a step in that direction. The course is highly recommended to students specializing in the financial services industry, corporate finance, and consulting.

Learning Outcomes

Students are expected to gain a fair understanding of the structure of these transactions and their accounting implications. An ability to apply basic accounting knowledge to the analysis of real-world companies is the ultimate goal. The material covered in this course is of relevance to the CFA exam.